



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

***Financial Audit***

*Including the Provisions of the Single Audit Act*

Report Number:  
641-0100-07

***Department of Labor and Economic Growth***

*October 1, 2004 through September 30, 2006*

Released:  
June 2007

*A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.*

***Financial Schedules:***

**Auditor's Report Issued**

We issued an unqualified opinion on the Department of Labor and Economic Growth's (DLEG's) financial schedules.

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**Internal Control Over Financial Reporting**

We did not report any findings related to internal control over financial reporting.

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**Noncompliance and Other Matters  
Material to the Financial Schedules**

We did not identify any instances of noncompliance or other matters applicable to the financial schedules that are required to be reported under *Government Auditing Standards*.

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***Federal Awards:***

**Auditor's Reports Issued on Compliance**

We audited 11 programs as major programs and reported known questioned costs of approximately \$2.0 million and known and likely questioned costs totaling \$2.0 million. DLEG expended \$905.9 million in federal awards during the two-year period ended September 30, 2006. We issued 10 unqualified opinions and 1 qualified opinion. The opinions issued by major program are identified on the back of this summary.

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**Internal Control Over Major Programs**

We identified reportable conditions related to internal control over major programs (Findings 1 through 10). We consider Finding 1 to be a material weakness.

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### Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 1 through 10).

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### Systems of Accounting and Internal Control:

We determined that DLEG was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program or Cluster Title</u>	<u>Compliance Opinion</u>
17.002	Labor Force Statistics	Qualified
17.245	Trade Adjustment Assistance	Unqualified
17.258, 17.259, and 17.260	Workforce Investment Act (WIA) Cluster	Unqualified
17.504	Consultation Agreements	Unqualified
81.041	State Energy Program	Unqualified
84.002	Adult Education - State Grant Program	Unqualified
84.048	Vocational Education - Basic Grants to States	Unqualified
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Unqualified
84.187	Supported Employment Services for Individuals with Severe Disabilities	Unqualified
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Unqualified
94.006	AmeriCorps	Unqualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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